

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
MARION PUBLIC LIBRARY
GRANT COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
07/02/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5-6
Supplementary Information:	
Schedule of Capital Assets.....	7
Schedule of Long-Term Debt	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Mary T. Eckerle	01-01-06 to 12-31-08
Treasurer	Kelly M. Turner	01-01-06 to 12-31-08
President of the Board	Thomas R. Gearhart	01-01-06 to 09-18-07
	Vacant	09-19-07 to 10-15-07
	Dianne J. Smith	10-16-07 to 12-31-08



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MARION PUBLIC LIBRARY, GRANT COUNTY, INDIANA

We have examined the financial information presented herein of the Marion Public Library (Library), for the period of January 1, 2006 to December 31, 2007. The Library's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Library for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

May 29, 2008

MARION PUBLIC LIBRARY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 562,181	\$ 1,752,895	\$ 1,680,217	\$ 634,859
Gift	461,182	70,438	45,617	486,003
Rainy Day	25,000	-	-	25,000
Grant	-	1,800	150	1,650
Levy Excess	-	76,293	76,293	-
Lease Rental	284,936	887,418	770,121	402,233
Library Improvement Reserve	215,549	25,000	-	240,549
Construction	-	75,819	46,501	29,318
Fiduciary Funds:				
Payroll Withholdings	1,584	232,122	233,706	-
PLAC	448	2,260	2,215	493
Totals	<u>\$ 1,550,880</u>	<u>\$ 3,124,045</u>	<u>\$ 2,854,820</u>	<u>\$ 1,820,105</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 634,859	\$ 1,841,459	\$ 1,786,872	\$ 689,446
Gift	486,003	77,365	50,629	512,739
Rainy Day	25,000	-	-	25,000
Grant	1,650	1,800	1,650	1,800
Lease Rental	402,233	669,561	738,000	333,794
Library Improvement Reserve	240,549	190,000	202,987	227,562
Construction	29,318	-	-	29,318
Fiduciary Funds:				
Payroll Withholdings	-	233,886	230,969	2,917
PLAC	493	2,281	2,204	570
Totals	<u>\$ 1,820,105</u>	<u>\$ 3,016,352</u>	<u>\$ 3,013,311</u>	<u>\$ 1,823,146</u>

The accompanying notes are an integral part of the financial information.

MARION PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides culture and recreation services.

Note 2. Fund Accounting

The Library uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Library in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Library on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Library to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

MARION PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Library contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Library authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Donated Equity Stock

The Library received a donation on November 24, 1967, in memory of George Webster. This donation is restricted for use in the children's department. The donation consisted of 80 shares of Phillip Morris, Incorporated, stock, with a par value of \$1 per share. The stock has split on numerous occasions. In 2003, Phillip Morris, Incorporated, changed their name to Altria Group, Incorporated. In 2007, Kraft, Incorporated was spun-off from Altria Group, Incorporated.

On December 31, 2007, the Library held 12,360 shares of Altria Group, Incorporated stock and 8,553 shares of Kraft, Incorporated stock with a market value of \$1,213,253. This equity stock is not included in the financial statements.

MARION PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 659,600
Buildings	5,148,566
Improvements other than buildings	174,708
Machinery and equipment	<u>6,678,713</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 12,661,587</u>

MARION PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2007

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Library Building	\$ 2,425,000	\$ 369,000

MARION PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on May 29, 2008, with Mary T. Eckerle, Director; and Kelly M. Turner, Treasurer. Our examination disclosed no material items that warrant comment at this time.